



STATE OF MICHIGAN
STATE BOARD OF EDUCATION
LANSING

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**State Board of Education
Statement on Financial Independence Team/Early Warning Legislation**

The seventh priority in the Michigan Department of Education 2013-2015 Priorities is the promotion of financial health and stability for public schools.

The State Board of Education supports the concept of an early warning system that would identify earlier schools that may be entering into financial distress. We recognize the efforts in current legislation (Senate Bills 951-955, 957) before the Senate to:

- ensure education community buy-in, clarity and appropriate impact;
- streamline the language surrounding the early warning indicators;
- give ample time for the workgroup to meet and determine the best method for intervening prior to financial distress;
- encourage the workgroup to define criteria that identify those districts most at risk;
- involve intermediate school districts in any intervention model; and
- clearly define terms used with the legislation; i.e. officer, operating deficit, rapidly deteriorating financial circumstances, etc.

Further, the State Board of Education supports intervention in the case of financial distress provided that an education plan exists to protect the integrity of the academic services for children. We encourage the Michigan Legislature to move toward a timely passage of legislation that will assist maintaining and improving the financial health of our state's public schools.

Adopted October 14, 2014

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